

Exempt Organization

Return sent to District

4/26/83

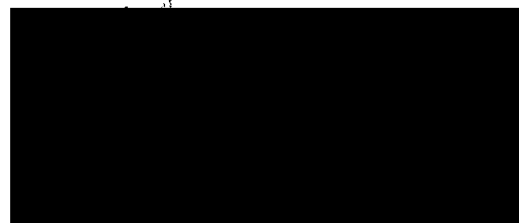
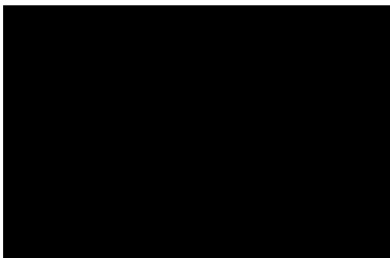
29 MAR 1983

Dear Applicant:

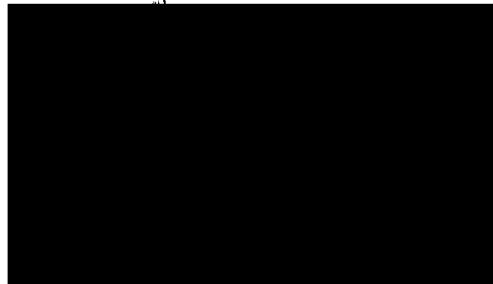
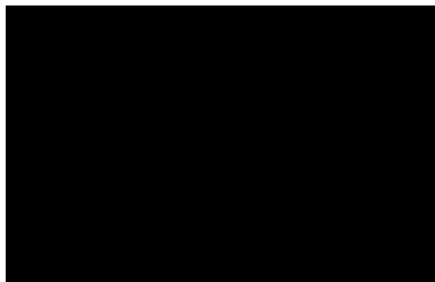
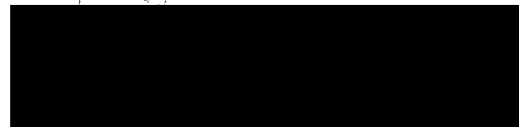
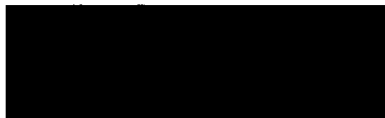
This refers to your application for recognition of exemption under section 501(c)(9) of the Internal Revenue Code.

You are a trust that was formed to provide medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability or death. Your membership is limited to employees of certain companies. You submitted the following information concerning those companies:

The following companies are related by the same line of business in



The following companies are bound together through common stock ownership:



HISTORICAL  
Internal Revenue

At the time of the inception of the plan, [REDACTED]  
[REDACTED] was our reinsurer. They told us about  
[REDACTED] and [REDACTED]  
These [REDACTED] companies were included in our trust  
but were not bound by common bond.

Section 501(c)(9) of the Code exempts voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents or designated beneficiaries, if no part of the net earnings of such association inures (other than through such payments) to the benefit of any private shareholder or individual.

Section 1.501(c)(9)-2(a)(1) of the Income Tax Regulations states that the membership of an organization described in section 501(c)(9) must consist of individuals who become entitled to participate by reason of their being employees and whose eligibility for membership is defined by reference to objective standards that constitute an employment-related common bond among such individuals. Typically, those eligible for membership in an organization described in section 501(c)(9) are defined by reference to a common employer (or affiliated employers), to coverage under one or more collective bargaining agreements (with respect to benefits provided by reason of such agreement(s)), to membership in a labor union, or to membership in one more locals of a national or international labor union. For example, membership in an association might be open to all employees of a particular employer, or to employees in specified job classifications working for certain employers at specified locations and who are entitled to benefits by reason of one or more collective bargaining agreements. In addition, employees of one or more employers engaged in the same line of business in the same geographic locale will be considered to share an employment-related bond for purposes of an organization through which their employers provide benefits. Employees of a labor union also will be considered to share an employment-related common bond with members of the union, and employees of an association will be considered to share an employment-related common bond with members of the association. Whether a group of individuals is defined by reference to a permissible standard or standards is a question to be determined with regard to all the facts and circumstances, taking into account the guidelines set forth in this paragraph.

Although your membership is limited to a geographic locale, only a portion of your membership, employees of the first category of companies listed above, consists of employees of companies in the same line of business. Furthermore, at least some of your members are clearly not affiliated. [REDACTED]

[REDACTED] are companies not having common stock ownership with any of the other

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companies whose employees are your members. While the nature of the common stock ownership as to the second category of companies is not described so as to ensure that the companies are affiliated for purposes of section 1.501(c)(9)-2(a)(1) of the Regulations, it is clear that these organizations are not affiliated employers.

Because your membership is neither limited to employees of companies in the same line of business nor to employees of companies that are affiliated, you do not meet the requirement of section 1.501(c)(9)-2(a)(1) of the regulations that members of your organization consist of individuals having an employment-related common bond.

Accordingly, you do not qualify for recognition of exemption from Federal income tax under section 501(c)(9) of the Code. You are, therefore, required to file Federal income tax returns.

You have a right to protest this ruling if you believe that it is incorrect. To protest, you should submit a full explanation of your reasoning. This statement must be submitted, in duplicate, within 21 days from today and must be signed by one of your principal officers. You also have a right to a conference in this office after your statement is submitted. If you want a conference, you must request it when you file your protest statement.

If we do not hear from you within 21 days, this ruling will become final and copies will be forwarded to your key District Director, Cincinnati, Ohio. Thereafter, any questions about your Federal income status or the filing of tax returns should be addressed to that office.

Sincerely yours,

(Signed) [REDACTED]

[REDACTED]  
Chief, Rulings Section  
Exempt Organizations  
Technical Branch

cc: DD, Cincinnati, Ohio  
Attn: EO Group

**HISTORICAL**

Internal Revenue - Technical

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer